

Message Text

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PAGE 01 STATE 012894

13-11
ORIGIN COME-00

INFO OCT-01 EA-07 NEA-10 ISO-00 EB-07 (ISO) R

DRAFTED BY COM/BIC/OED/MEPD/LENGLESON/LW
APPROVED BY EB/OCA/CD:EMFEATHERSTONE
COM/BIC/OED/MEPD/JMSANDS
COM/BIC/OIM (INFO COPY)
EA/EP:MHENDERSON
EA/PHL:RWILLNER

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R 191706Z JAN 76
FM SECSTATE WASHDC
TO AMCONSUL KARACHI
AMEMBASSY MANILA

C O N F I D E N T I A L STATE 012894

E.O. 11652:GDS

TAGS:BEXP, PK

SUBJECT:MAJOR PROJECTS: KARACHI ELECTRIC SUPPLY
CORPORATION (KESC) PURCHASE OF FOUR FRAME FIVE GAS TURBINE
GENERATORS (RATED APPROXIMATELY 20 MW EACH)

FOR MANILA FOR USADB

1. GENERAL ELECTRIC WASHINGTON, DC OFFICERS HAVE REQUESTED
ASSISTANCE TO ASSURE THAT THE SUBJECT PROJECT IS "FAIRLY
AWARDED." GE IS CONFIDENT THAT IF THE EVALUATION IS
COMPLETED IN ACCORDANCE WITH THE TERMS OF THE BID DOCUMENTS
THAT THEY HAVE AN EXCELLENT CHANCE OF SECURING THIS CONTRACT
WHICH INCLUDES 10.8 MILLION DOLLARS U.S. CONTENT AND 2.4
MILLION DOLLARS FOR HITACHI GENERATORS.

2. BIDS WERE RECEIVED OCTOBER 1, 1975 FROM: HITACHI,
JAPAN; AEG-KANIS, GERMANY; GE/SUMITOMO, USA/JAPAN; AND
FIAT. THE CONSULTANT IS FITCHNER OF STUTTGART, GERMANY.
ALTHOUGH HITACHI'S BID PRICE WAS 600,000 DOLLARS LOWER
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THAN GE/SUMITOMO, KESC HAS COMPLETED A PRELIMINARY

EVALUATION IN FAVOR OF GE'S DESIGN AND HAS FORWARDED THIS EVALUATION TO ADB. FIAT WAS 3.4 MILLION DOLLARS ABOVE GE/SUMITOMO. HITACHI AND GE/SUMITOMO WERE INVITED TO STUTTGART TO REVIEW DETAILS OF BID WITH KESC OFFICIALS.

GE ADVISES THAT FIAT HAS "STRONG CONNECTIONS" IN PAKISTAN GOVERNMENT AND THAT KESC OFFICIALS WERE NOT PERMITTED TO ATTEND STUTTGART MEETING (AT REQUEST OF FIAT). GE'S CONCERN IS THAT FIAT WILL BE ABLE TO OVERTURN ANY EVALUATION WHICH IS MADE IN FAVOR OF ANYONE OTHER THAN FIAT IN SPITE OF THEIR SUBMITTING THE HIGHEST BID.

3. REQUEST THAT ISLAMABAD, KARACHI AND USADB DISCUSS WITH APPROPRIATE OFFICIALS TO EMPHASIZE USG INTEREST IN THIS CASE AND TO SEEK ASSURANCE THAT PROCEDURES FOLLOWED WILL BE FAIR AND IN ACCORDANCE WITH ADB REGULATIONS. KISSINGER

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Message Attributes

Automatic Decaptoning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 19 JAN 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ElyME
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976STATE012894
Document Source: CORE
Document Unique ID: 00
Drafter: BIC/OED/MEPD/LENGLESON/LW
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D760020-1178
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760143/aaaabmpg.tel
Line Count: 77
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN COME
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: ElyME
Review Comment: n/a
Review Content Flags:
Review Date: 26 APR 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <26 APR 2004 by izenbei0>; APPROVED <20 AUG 2004 by ElyME>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: AJOR PROJECTS: KARACHI ELECTRIC SUPPLY CORPORATION (KESC) PURCHASE OF FOUR FRAME FIVE GAS TURBINE
TAGS: BEXP, PK
To: KARACHI MANILA
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006